

Legislation Text

File #: 15-11321, Version: 1

Affordable Housing Development Support Requests

Action:

- A. Adopt resolutions approving land transactions of city-owned properties valued at \$4,870,000 for the following multi-family affordable housing developments:**
- Parcel Identification Number 080-104-02, valued at \$1,320,000, for the development of 7th Street Apartments,
 - Parcel Identification Numbers 149-012-47 and 149-012-51, valued at \$2,570,000, for the development of South Village Apartments at Scaleybark
 - Parcel Identification Number 143-051-01, valued at \$980,000 for the development of Tyvola Road Apartments, and
- B. Approve \$12,800,000 in Housing Trust Fund allocations for the following multi-family affordable housing developments:**
- 7th Street Apartments, \$1,500,000
 - Abbingdon On Mt. Holly, \$2,000,000
 - Evoke Living at Westerly Hills, \$2,000,000
 - Heritage Park Apartments, \$600,000
 - North Tryon Homes, \$2,000,000
 - South Village Apartments at Scaleybark, \$3,000,000
 - Wendover Walk Apartments, \$1,700,000

Staff Resource(s):

Pamela Wideman, Housing and Neighborhood Services
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Explanation

- Local Initiatives Support Corporation (LISC) Partnership:
 - In Fiscal Year 2019, City Council approved a partnership with LISC, a national non-profit with a grassroots focus.
 - LISC is one of the largest national organizations that supports projects to revitalize communities and bring greater economic opportunity to residents.
 - With the addition of the LISC partnership, that manages the private and philanthropic contributions to the Charlotte Housing Opportunity Fund, the cost to the city of creating four percent Tax Credit Development affordable housing units is now less by approximately half of what the city previously contributed.
- Housing Vouchers:
 - Recently the city and LISC entered into partnership with the Charlotte Housing Authority (CHA) for project based vouchers.
 - Through his partnership, CHA has pledged up to 75 project based vouchers per year to be used toward affordable housing developments, in areas of high opportunity.
 - The use of the vouchers also contributes to leveraging funding sources.
- On April 26, 2019, the city and LISC issued a joint Request for Proposals (RFP) to aid in the production of affordable housing units.
 - In response to this joint RFP, 14 proposals were received, seeking various types of gap-

financing support including tax credits from the North Carolina Housing Finance Agency (NCHFA), HTF and city-owned land, allocations from the Charlotte Housing Opportunity Investment Fund, interest-free debt, and project-based vouchers.

- This approach was the first dual review process conducted by the city and LISC. The following guiding principles were adhered to:
 - Ensuring affordable, multi-family housing developer experience,
 - Creating mixed-income developments in areas of high opportunity,
 - Achieving long-term affordability, and
 - Maximizing leverage of available resources.
- Approval of the recommended developments will add 950 affordable and workforce housing units to the city's existing supply.
- The recommended developments meet all submission requirements, including land use and rezoning approvals.
- Each development received a score of 22 or more points based on the Housing Locational Scoring Guidelines.
- Additionally, the NCHFA will base final awards on:
 - Market demand and local housing needs,
 - Ability to serve qualified residents for the longest affordability period,
 - Design and quality of construction, and
 - Financial structure and long-term viability.
- Developments seeking four percent tax credit awards must submit their applications to the NCHFA before October 10, 2019.

Background

- On November 26, 2001, City Council established the Housing Trust Fund (HTF) to provide gap-financing to assist with the development of affordable housing in Charlotte.
- On August 27, 2018, City Council adopted the Housing Charlotte Framework, which recommends expanding the supply of high-quality rental housing by building new affordable housing, preserving existing naturally occurring affordable housing and promoting family-self-sufficiency initiatives. Approval of Actions A and B support the Council's commitment to both expanding and preserving the supply of affordable housing.
- On April 22, 2019, City Council adopted the U.S. Department of Housing and Urban Development's Annual Action Plan (Plan). The Plan:
 - Identifies the need for affordable, safe and decent housing for low and moderate-income families, and
 - Reaffirms three basic goals of the city's Housing Policy:
 - Preserve the existing housing stock,
 - Expand the supply of affordable housing, and
 - Support family self-sufficiency initiatives.
- Local HTF allocations demonstrate local alignment with state-supported affordable housing developments and allow for the leveraging of local dollars with state tax-credit allocations.
- Additionally, the use of city-owned land allows for additional leveraging of local HTF allocations. This strategy is a best practice used across the country to assist in expanding the supply of affordable housing and is consistent with the Council approved Housing Framework, City-Owned Real Estate and Facilities Policy, as well as the Guidelines for Evaluation and Disposition of City-Owned Land for Affordable Housing.

City Council Discussion

- Housing and Neighborhood Services provided a briefing of the affordable housing development support requests to City Council during the July 8, 2019, Action Review meeting.

Charlotte Business INclusion

- All HTF funded projects and their developers are subject to MWSBE goals determined based on the amount of the HTF allocations received.

Fiscal Note

Funding: Capital Investment Plan (Housing Trust Fund)

Attachment(s)

July 8, 2019 Action Review Presentation

Lease Transfer Details

Resolutions

Parcel Maps